(c) what steps Government have taken to resolve this issue and present the short supply of vital drugs?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) There are general complaints regarding sale of some bulk drugs to the formulators at prices higher than the notified prices. A few specific complaints have been received which have been forwarded to concerned Stage Drug Controller for necessary inquiry and action, as per provisions of DPCO, 1987. The government has also cautioned all major bulk drug producers individually as well as through their associations in this regard so that formulators are not put to any loss.

पेनिसिलिन की आयात प्रक्रिया

127. **श्री विश्वासराव रामराव पाटिल :** क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार पेनिसिलिन के आयात की प्रक्रिया को उदार बनाने पर विचार कर रही है ; और

(ख) यदि हां, तो उसका ब्यौरा क्या है और उसके क्या कारण हैं ?

रसायन और उर्वरक मंत्रालय में राज्य मंत्री (श्री चिंता मोहन) : (क) और (ख) चालू एक्सम नीति में पेनिसिलिन आयात की नकारात्मक सूची में शामिल हैं और इसके आयात को प्रत्येक वर्ष तैयार की गई एक विशेष नीति के अंतर्गत विनियमित किया जाना जारी है ।

Drug shortage

138. SHRI SURESH KALMADI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that country is facing a severe shortage and number of essential medicines have either totally disappeared or have become increasingly scarce over the last few weeks;

(b) if so, what are the reasons therefor; and

(c) what steps Government have taken to meet the situation?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) No general shortage of any drug has came to the notice of the Government except instances of shortage of some branded formulations, in some localised areas, for which therapeutic equivalents were normally available. Some shortages have arisen because of some dislocation/uncertainty due to change in EXIM Policy whereby imports in drug sector were required to be done on the market determined exchange rate. Government has recently reduced duties on several bulk drugs and intermediates in order to avoid Price increases in medicines. This measures is expected to tackle the above situation substantially.

Reduction in custom duty on bulk drugs

139. SHRI H. HANUMANTHAPPA: SHRIMATI SATYA BAHIN:

Will the PRIME MINISTER be pleased to state:

(a) what are the names of the bulk drugs on which custom duty has been reduced to 80 per cent i.e. by 30 per cent;

(b) whether it is a fact that average escalation on account of purchase of foreign exchange partially at market rate & partially at official rate works out to 12 per cent only;

(c) whether 18 per cent duty reduction unintended benefit would be allowed to be retained by the producers or it will be passed on to the public;

(d) what efforts have been made in this direction and in how many cases the prices of the formulations have been reduced so far;

(e) whether it is a fact that instead of doing any useful work for growth of industry or for consumer benefit, his ministry is engaging in the rituals of allowing price increases for considerations; and

(f) by when this practice is likely to be stopped?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Names of 52 bulk drugs on which customs duty has been reduced to 80 per cent i.e. by 30 per cent have been given in notification No. 216/92-Customs dated 19th June, 1992, the copies of which are available in the Parliament library.

(b) and (c) An illustrative example given below would clarify the position in this regard:

	At official rate	At market rate
	(US $ – Rs. 26)	(US $ Rs. 31.00)
CIF Price	26.00	31.00
Custom Duty @ 110%	28.00	24.80
		@80%
Landed Cost	54.60	55.80

(d) to (f) The prices of formulations based on controlled bulk drugs are being fixed by the Government. For revising the prices of these formulations the DPRC Sub Committee takes into account current rate of custom duty to arrive at landed cost. Manufacturers of non scheduled formulations are free to revise the prices themselves but whenever any price increase appears to be unreasonable, companies are asked to justify the increase in the prices. In case adequate justification does not exist companies are prevailed upon to reduce the price in the overall interest of the consumer.

Reduction in price of bulk drugs

140. SHRI H. HANUMANTHAPPA: SHRIMATI SATYA BAHIN:

Will the PRIME MINISTER be pleased to state:

(a) whether Government have affected any reduction in the price of bulk drug or formulation in the year 1992 so far;

(b) if so, what are the names of the products involved, their earlier prices and the revised prices and the date when the prices were revised;

(c) whether these reduced prices have been implemented, and if so, the date from which these have been implemented; and

(d) what has been the extent of reduction in each case?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (d) The price of bulk drug Rifampicin has been reduced on 24.1.1992 from Rs. 5201/kg to Rs. 4946/kg. A statement indicating the requisite details in respect of formulations to the extent readily available is attached (*See* below). As per para 4, sub-para 3 of DPCO, 1987 every manufacturer/importer is required to implement the prices fixed/revised by the Government within 15 days of receipt of such orders.